



NATIONAL AUTOMOBILE DEALERS ASSOCIATION
8400 Westpark Drive • McLean, Virginia 22102
703/821-7040 • 703/821-7041



Legal & Regulatory Group

November 12, 2002

Donald S. Clark
Office of the Secretary
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Comments regarding ecompetition

Dear Mr. Clark:

On behalf of the National Automobile Dealers Association (NADA), I am submitting additional materials to supplement the comments NADA filed with the FTC in connection with the workshop, "Possible Anticompetitive Efforts to Restrict Competition on the Internet," which took place from October 8-10, 2002.

During the Workshop, statements were made by several of the participants either orally or in written materials about saving consumers could realize by use of the Internet to purchase new motor vehicles. It was suggested that the state franchise laws are a major impediment to consumers realizing such savings.

NADA disagrees with claims that repeal of the state franchise laws would save consumers tens of billions of dollars annually in the purchase of new motor vehicles. It is NADA's contention that the studies and reports cited in support of such claims are wrong. Many of the studies and reports are based on data which is over 20 years old or are advocacy pieces, which lack supporting data.

Last year, NADA issued a report, prepared by a Teaching Professor of Business and Public Policy at the University of Maryland, entitled "An Assessment of Franchise Laws and Internet Auto Sales." The author examined the more commonly cited studies and reports which argue for the repeal of the state franchise laws and, in some instances, advocate major changes to the existing franchise system of selling and servicing new motor vehicles. The author concludes that it is "statistically indefensible" to claim that "tens of billions of dollars" in expense are incurred by consumers because of the franchise system. NADA respectfully requests that a copy of that report, dated August 2001, be included as part of the official record of the Workshop.

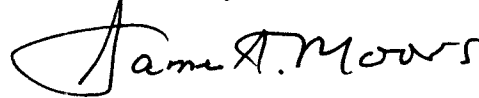
November 12, 2002

Page 2

NADA also requests that the enclosed brief, prepared by Dr. Shaffer, also be made part of the official record of the Workshop.

Thank you for your attention to this request. A copy of this letter and the enclosed materials are also being submitted in electronic format. Should you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, reading "James A. Moors". The signature is written in a cursive style with a large, looping initial "J" and "M".

James A. Moors
Director, Franchising and State Law

Enclosures